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REPORT  
FORM X-17A-5  
PART III

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FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 10/01/2017 AND ENDING 09/30/2018  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Noble Capital Markets, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

225 NE Mizner Blvd., Suite 150

(No. and Street)

Boca Raton

(City)

FL

(State)

33432

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Nico P. Pronk

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Spicer Jeffries

(Name - if individual, state last, first, middle name)

4601 DTC Blvd., Suite 700

(Address)

Denver

(City)

CO

(State)

80237

(Zip Code)

CHECK ONE:

☒  
☐  
☐

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

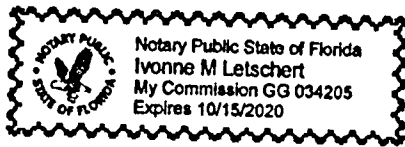
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

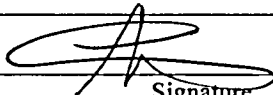
## OATH OR AFFIRMATION


I, Nico P. Pronk, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Noble Capital Markets, Inc., as of September 30, 2018, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_



  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
President & CEO  
Title

  
\_\_\_\_\_  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**NOBLE CAPITAL MARKETS, INC.**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of  
Noble Capital Markets, Inc.

We have audited the accompanying statement of financial condition of Noble Capital Markets, Inc. (the "Company") as of September 30, 2018 that is filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the statement of financial condition. The Company's management is responsible for this financial statement. Our responsibility is to express an opinion on this financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial condition of the Company as of September 30, 2018 in accordance with accounting principles generally accepted in the United States of America.

We have served as Noble Capital Market, Inc.'s auditor since 2012.

A handwritten signature in black ink that reads 'Spicer Jeffries LLP'.

Denver, Colorado  
November 10, 2018



**NOBLE CAPITAL MARKETS, INC.**

**STATEMENT OF FINANCIAL CONDITION**  
**SEPTEMBER 30, 2018**

**ASSETS**

Cash and cash equivalents	\$	570,692
Due from clearing broker		184,284
Deposit with clearing brokers		350,017
Commission receivable		25,533
Securities owned, at market value		6,603
Fees receivable		227,121
Receivable from Parent		455,809
Other receivables		30,000
Property and equipment, net of accumulated depreciation of \$15,806		4,110
Other assets		82,160
		<hr/>
	\$	1,936,329

**LIABILITIES AND SHAREHOLDER'S EQUITY**

**LIABILITIES**

Accounts payable and accrued expenses	\$	282,617
Commission and salaries payable		221,609
Deferred income		39,666
Lease obligation		98,116
		<hr/>

***Total Liabilities*** **\$ 642,008**

**COMMITMENTS AND CONTINGENCIES (Notes 4 and 5)**

**SHAREHOLDER'S EQUITY (Note 2)**

Common Stock, \$1.00 par value, 100 shares authorized, issued and outstanding		100
Additional paid-in-capital		2,247,825
Accumulated deficit		(953,604)
		<hr/>

***Total shareholder's equity*** **1,294,321**

***Total liabilities and shareholder's equity*** **\$ 1,936,329**

The accompanying notes are an integral part of this statement

## **NOBLE CAPITAL MARKETS, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

#### ***NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

##### **Organization and Business**

Noble Capital Markets, Inc. (the "Company") was incorporated in the State of Florida on September 21, 1984. The Company operates as a securities broker-dealer and is registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). The Company earns revenues from proprietary trading, investment banking and advisory services, providing research and consulting services and the sale of securities on a fully disclosed basis. The Company is a wholly owned subsidiary of Noble Financial Group, Inc. (the "Parent").

##### **Clearing Agreements**

The Company, under Rule 15c3-3(k)(2)(ii), is exempt from the reserve and possession or control requirements of Rule 15c3-3 of the Securities and Exchange Commission. The Company does not carry or clear customer accounts. Accordingly, all customer transactions are executed and cleared on behalf of the Company by its clearing brokers on a fully disclosed basis. The Company's agreements with its clearing brokers provides that as clearing brokers, these firms will make and keep such records of the transactions effected and cleared in the customer accounts as are customarily made and kept by a clearing broker pursuant to the requirements of Rules 17a-3 and 17a-4 of the Securities and Exchange Act of 1934, as amended (the "Act"). It also performs all services customarily incident thereon, including the preparation and distribution of customer's confirmation and statements and maintenance margin requirements under the Act and the rules of the Self Regulatory Organizations of which the Company is a member.

##### **Securities Valuation and Revenue Recognition**

The Company records proprietary transactions, commission revenue and related expenses on a trade-date basis. Interest and dividend income are recognized in the period earned. Investment advisory fees are received quarterly in advance and recognized ratably over the term of the contract.

The Company values its securities in accordance with Accounting Standards Codification 820 - Fair Value Measurements ("ASC 820"). Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of

NOBLE CAPITAL MARKETS, INC.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
(continued)

**Securities Valuation and Revenue Recognition** (continued)

observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumption about the inputs market participants would use in pricing the asset or

liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and blockage discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors, including the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement.

## NOBLE CAPITAL MARKETS, INC.

### NOTES TO FINANCIAL STATEMENTS

#### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

##### **Securities Valuation and Revenue Recognition** (concluded)

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The Company values investments in securities owned and securities sold, not yet purchased based on quoted prices in active markets. These are considered Level 1 securities.

##### **Property and Equipment**

Furniture, equipment and leasehold improvements are recorded at cost, and are depreciated over the estimated useful lives of the assets using the straight line and accelerated methods. Repairs and maintenance are charged to expense as incurred.

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents.

##### **Income Taxes**

The Company files a consolidated income tax return with its Parent. For financial statement purposes, the Company presents income tax information as if filed a separate income tax



## **NOBLE CAPITAL MARKETS, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

#### ***NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** *(concluded)*

return. The Company utilizes the asset and liability method of accounting for income taxes, as prescribed by Accounting Standards Codification 740 – Income Taxes ("ASC 740"). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which these temporary differences are expected to be recovered or settled. Changes in tax rates are recognized in income in the period that includes the enactment date.

The Company is required to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any tax related appeals or litigation processes, based on the technical merits of the position. The Company files an income tax return in the U.S. federal jurisdiction, and may file income tax returns in various U.S. states. The Company is not subject to income tax return examinations by major taxing authorities for years before 2014. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized results in the Company recording a tax liability that reduces net assets. However, the Company's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof. The Company recognizes interest accrued related to unrecognized tax benefits and penalties related to unrecognized tax benefits in income taxes payable, if assessed. No interest expense or penalties have been recognized as of and for the year ended September 30, 2016.

#### ***NOTE 2 - NET CAPITAL***

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. At September 30, 2018, the Company had net capital and net capital requirements of \$494,131 and \$100,000, respectively. The Company's net capital ratio (aggregate indebtedness to net capital) was 1.30 to 1. According to Rule 15c3-1, the Company's net capital ratio shall not exceed 15 to 1.

**NOBLE CAPITAL MARKETS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - COMMITMENTS AND RELATED PARTY TRANSACTIONS**

The Company has entered into long-term operating payments under these operating leases are as follows:

<u>Year</u>	<u>Amount</u>
2019	268,053
2020	273,451
2021	279,010
2022	198,708
	<u>\$ 1,019,222</u>

Rent expense for the year ended September 30, 2018 was \$414,005.

Noble Capital Management, Inc. ("NCM"), a registered investment advisor, is a related party through common ownership and is part of the combined group. NCM's investment advisory fees are retained by the Company. During the year ended September 30, 2018, the Company received \$188,036 on behalf of NCM.

**NOTE 4 - FINANCIAL INSTRUMENTS, OFF-BALANCE SHEET RISKS AND UNCERTAINTIES**

In the normal course of business, the Company's activities through its clearing broker involve the execution, settlement and financing of various customer securities transactions. These activities may expose the Company to off-balance sheet risk. In the event a customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the customer's obligations. The Company is also engaged in various corporate financing activities with counterparties. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty with which it conducts business.

**NOTES TO FINANCIAL STATEMENTS**

In addition, the Company bears the risk of financial failure by its clearing brokers. If the clearing brokers should cease doing business, the Company's receivable and deposit from these clearing brokers could be subject to forfeiture.

## **NOBLE CAPITAL MARKETS, INC.**

The Company's financial instruments, including due from clearing brokers, deposit with clearing brokers, commissions and fees receivable, receivable from parent, other assets, accounts payable and accrued expenses, commissions and salaries payable and deferred income are carried at amounts that approximate fair value, due to the short-term nature of the instruments. Securities owned and securities sold, but not yet purchased are valued as described in Note I.

The Company also maintains its cash balances in a financial institution, which at times may exceed federally insured limits. As of September 30, 2018, the Company had \$307,650 in excess of the federally insured limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

### ***NOTE 5 - CONTINGENCIES***

#### ***Litigation***

The Company is involved in various disputes arising in the normal course of business. Management, after review and discussion with legal counsel, believes the Company has meritorious defense and intends to vigorously defend itself in these matters, but is not feasible to predict or determine the final outcomes at the present time.

### ***NOTE 6 – SUBSEQUENT***

The Company has performed an evaluation of subsequent events through November 10, 2018. The evaluation did not result in any subsequent events that required disclosures and/or adjustments.